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WORLD BREADGRAIN PROSPECTS (Page 165)

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UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS

WASHINGTON 25, D.C.

L A T E N E W S

A new outbreak of foot and mouth disease has been reported in the State of Veracruz, Mexico. The entire area is being held under strict quarantine and all herds are being inspected to detect any possible spread of infection.

The final official estimate of the 1950-51 cotton crop in the state of Sao Paulo, Brazil, places production at 925,000 bales (500 pounds gross weight), somewhat below the previous estimate of 935,000 bales, but considerably above the final 1949-50 estimate of 747,000 bales. The cotton crop in Sao Paulo represents over 90 percent of South Brazilian production and about two-thirds of total Brazilian production, currently estimated at about 1,450,000 bales.

The following figures show the Egyptian Government's August cotton acreage estimates by varieties for 1951-52 with 1950-51 figures in parentheses: Karnak 747,271 (709,010); Menoufi 147,397 (59,506); Giza 30 356,914 (398,457); Zagora 74,802 (98,740); Ashmouni 723,981 (781,458); Others 4,307 (2,421); Total acreage 2,054,672 (2,049,592).

The Egyptian Government on August 9 eliminated minimum prices on new-crop medium-long staple (Giza 30) variety cotton. Minimum prices on extra long staple varieties of new-crop cotton had previously been abolished. In addition, the fluctuations in market quotations in any one day for these varieties are limited to 2 percent of the closing price of the preceding day, an increase from the 1 percent fluctuation permitted previously. Minimum prices at which the Government is willing to enter the market are still in effect for all old-crop cotton and for new crop Ashmouni and Zagora.

(Continued on Page 187)

FOREIGN CROPS AND MARKETS

Published weekly to inform producers, processors, distributors and consumers of farm products of current developments abroad in the crop and livestock industries, foreign trends in prices and consumption of farm products, and world agricultural trade. Circulation of this periodical is free in the United States to those needing the information it contains in farming, business and professional operations. Issued by the Office of Foreign Agricultural Relations of the U.S. Department of Agriculture, Washington 25, D.C.

ARGENTINE 1950-51 GRAIN EXPORTS REACH POSTWAR LOW 1/

Argentine grain exports during 1950-51 (July-June) amounted to only 3,424,000 long tons, the lowest total since the end of World War II. Exports during 1949-50 totaled 4,256,000 long tons. The peak postwar level of exports was 7,018,000 tons in 1947-48. Before the war (1934-35 through 1938-39), they averaged 10,281,000 long tons annually.

Several factors, varying from year to year, account for the downward trend in exports. These have included acreage reductions, especially for wheat, corn and oats; occasional years of poor yields because of climatic conditions; and impediments to trade with Argentina because of price policies pursued by the Argentine Trade Promotion Institute.

Argentine Grain exports During States Years 1/

Years (July-June)	: Wheat	: Rye	: Corn	: Oats	: Barley	: All Grains
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: Long tons	: Long tons	: Long tons	: Long tons	: Long tons	: Long tons
Average	:	:	:	:	:	:
1934-35/38-39:	3,276	121	6,243	362	279	10,281
1945-46....:	1,811	224	1,151	230	559	3,975
1946-47....:	1,603	103	1,920	216	410	4,252
1947-48....:	2,730	347	2,917	95	929	7,018
1948-49....:	1,621	66	1,830	72	302	3,891
1949-50....:	2,343	261	1,225	291	146	4,256
1950-51....:	2,770	219	155	245	35	3,424

1/ Prewar average and annual figures for 1945-46 through 1947-48 include four in terms of wheat, cornmeal in terms of corn, and oatmeal in terms of oats. Annual figures for 1948-49 through 1950-51 do not include flour, cornmeal and oatmeal. However, such trade data as are available indicate that exports were insignificant compared with prewar levels.

There are indications, however, that the low level of grain exports during the past several years may change to a gradual upward trend during the years immediately ahead, granted favorable climatic conditions. Supporting that opinion is the fact that the downward trend in grain acreage over the last few years appears to have been checked; the Government is consistently calling for expansion in grain acreage; minimum grain prices guaranteed by the Government are being set at somewhat higher levels; and farmers are being promised a larger share in the grain export profits of the Argentine Government. Growers have evidenced much dissatisfaction with government policies in fixing prices and harvest wages.

1/ A more complete statement, available upon request, will soon be published as a Foreign Agriculture Circular by the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D.C.

Argentine Exports of Grain During 1949-50.

Destination	Bread Grains				Coarse Grains				Total all Grains
	Wheat	Rye	Total	Corn	Oats	Barley	Total		
	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons		
<u>NORTH, CENTRAL AND SOUTH AMERICA</u>									
United States.....	-	-	-	-	38,407	-	38,407	38,407	
Canada.....	-	-	-	-	15,928	-	15,928	15,928	
Cuba.....	-	-	-	-	-	-	-	-	
Brazil.....	980,277	-	980,277	-	99	-	99	980,376	
Chile.....	19,925	-	19,925	-	-	-	-	19,925	
Paraguay.....	34,284	-	34,284	-	-	-	-	34,284	
Peru.....	26,561	-	26,561	-	-	-	-	26,561	
Uruguay.....	98	-	98	36,011	1,783	-	37,794	37,892	
Total.....	1,061,145	-	1,061,145	36,011	56,217	-	92,228	1,153,373	
<u>EUROPE</u>									
Austria.....	-	801	801	-	-	-	-	-	801
Belgium and Luxembourg.....	7,037	13,322	20,359	215,662	26,569	1,855	244,086	264,445	
Czechoslovakia.....	-	-	-	-	-	-	-	-	
Denmark.....	-	20,715	20,715	-	18,217	-	18,217	38,932	
Finland.....	14,960	-	14,960	-	-	-	-	14,960	
France.....	10,318	-	10,318	363,414	-	19,684	383,098	393,416	
Germany.....	142,276	61,698	203,974	-	29,748	34,756	64,504	268,478	
Ireland.....	-	-	-	-	7,450	-	7,450	7,450	
Italy.....	342,535	20,806	363,341	70,032	34,674	-	74,706	438,047	
Netherlands.....	18,399	-	18,399	153,281	8,141	22,227	183,649	202,048	
Norway.....	-	51,632	51,632	-	6,684	-	6,684	58,316	
Portugal.....	37,932	20,078	58,010	4,644	4,921	-	9,565	67,575	
Spain.....	106,887	60,466	167,353	13,193	-	149	13,342	180,695	
Sweden.....	47,708	1,378	49,086	76,820	10,537	-	87,357	136,443	
Switzerland.....	45,293	..99	45,392	43,684	31,380	40,604	165,668	211,060	
United Kingdom.....	-	-	-	277,870	-	-	277,870	277,870	
Total.....	773,345	250,995	1,024,340	1,188,600	228,321	119,275	1,536,196	2,560,536	
<u>AFRICA</u>									
Egypt.....	-	-	-	-	-	-	-	-	
French Africa.....	-	-	-	-	-	-	-	-	
Union of South Africa.....	-	-	-	-	6,951	-	6,951	6,951	
Total.....	-	-	-	-	6,951	-	6,951	6,951	
<u>ASIA</u>									
Lebanon.....	-	-	-	-	-	-	-	-	
India.....	335,240	-	335,240	-	-	644	644	335,884	
Japan.....	173,223	-	173,223	-	-	25,803	25,803	199,026	
Total.....	508,463	-	508,463	-	-	26,447	26,447	534,910	
World total.....	2,342,953	250,995	2,593,948	1,224,611	291,489	145,722	1,661,822	4,255,770	
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	*
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	
World total.....	86,088	9,881	95,969	48,210	20,082	6,693	82,985	178,954	

Compiled from records of El Cerealista, Buenos Aires, Argentina.

Argentine Exports of Grain During 1950-51

Destination	Bread Grains				Coarse Grains				Total all Grains	
	Wheat	Rye	Total	Corn	Oats	Barley	Total	Long tons		
	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons		
<u>NORTH, CENTRAL AND SOUTH AMERICA</u>										
United States.....	-	-	-	-	-	-	-	-	-	-
Canada.....	-	-	-	-	6,397	-	6,397	6,397	6,397	6,397
Cuba.....	-	-	-	-	2,460	-	2,460	2,460	2,460	2,460
Brazil.....	1,044,865	-	1,044,865	-	197	984	1,181	1,046,046	1,046,046	1,046,046
Chile.....	57,202	-	57,202	-	-	-	-	57,202	57,202	57,202
Paraguay.....	40,936	-	40,936	-	-	-	-	40,936	40,936	40,936
Peru.....	45,275	-	45,275	-	-	-	-	45,275	45,275	45,275
Uruguay.....	-	-	-	-	5,323	-	5,323	5,323	5,323	5,323
Total.....	1,188,278	-	1,188,278	-	14,377	984	15,361	1,203,639	1,203,639	1,203,639
<u>EUROPE</u>										
Austria.....	-	8,021	8,021	-	-	-	-	-	-	8,021
Belgium and Luxembourg.....	51,677	13,541	65,218	13,239	9,702	2,924	25,865	91,083	91,083	91,083
Czechoslovakia.....	-	9,744	9,744	-	-	-	-	-	-	9,744
Denmark.....	-	14,346	14,346	-	-	-	-	-	-	14,346
Finland.....	-	30,511	30,511	3,270	-	-	-	3,270	33,781	33,781
France.....	19,721	-	19,721	53,470	-	-	-	53,470	73,191	73,191
Germany.....	138,835	55,010	193,845	4,135	30,313	8,665	43,113	236,958	236,958	236,958
Ireland.....	-	-	-	-	-	-	-	-	-	-
Italy.....	546,369	3,726	550,095	-	6,925	2,979	9,904	559,999	559,999	559,999
Netherlands.....	41,385	67,454	108,839	10,039	103,564	6,945	120,548	229,387	229,387	229,387
Norway.....	-	5,905	5,905	-	4,921	-	4,921	10,826	10,826	10,826
Portugal.....	-	-	-	-	-	-	-	-	-	-
Spain.....	-	-	-	-	-	-	-	-	-	-
Sweden.....	29,526	4,153	33,679	-	-	-	-	33,679	33,679	33,679
Switzerland.....	65,388	-	65,388	-	62,631	6,936	69,567	134,955	134,955	134,955
United Kingdom.....	45,381	94	45,475	68,394	-	-	68,394	113,869	113,869	113,869
Total.....	938,282	212,505	1,150,787	152,547	218,056	28,449	399,052	1,549,839	1,549,839	1,549,839
<u>AFRICA</u>										
Egypt.....	9,832	-	9,832	-	-	-	-	-	-	9,832
French Africa.....	55,211	-	55,211	2,756	-	-	-	2,756	57,967	57,967
Union of South Africa.....	-	-	-	-	10,872	-	-	10,872	10,872	10,872
Total.....	65,043	-	65,043	2,756	10,872	-	-	13,628	78,671	78,671
<u>ASIA</u>										
Lebanon.....	-	6,889	6,889	-	1,909	-	1,909	8,798	8,798	8,798
India.....	515,676	-	515,676	-	-	-	-	-	-	515,676
Japan.....	62,014	-	62,014	-	-	5,300	5,300	67,314	67,314	67,314
Total.....	577,690	6,889	584,579	-	1,909	5,300	7,209	591,788	591,788	591,788
World total.....	2,769,293	219,394	2,988,687	155,303	245,214	34,733	435,250	3,423,937	3,423,937	3,423,937
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
World total.....	103,387	8,776	112,163	6,212	17,165	1,621	24,998	137,161	137,161	137,161

Compiled from records of El Cerealista, Buenos Aires, Argentina.

Trade By Commodities

With its vast expanses of good land, relatively small population, and low costs of production, supplemented by improving ocean transportation facilities and an increasing world demand for both bread and coarse grains, Argentina became one of the most important grain-surplus-producing countries of the world, a position which it has enjoyed for many decades. In fact, by 1934-35 through 1938-39, when world grain exports averaged 28,778,000 long tons annually, Argentina alone supplied 35.7 percent of the total. For individual grains, it supplied 21.7 percent of the wheat, 12.5 percent of the rye, 65.6 percent of the corn, 41.7 percent of the oats, and 11.9 percent of the barley entering into international trade channels during that 5-year period.

Wheat: Argentine wheat exports during the 12 months July-June of the United States' 1950-51 marketing season amounted to 2,770,000 long tons (103.4 million bushels) compared with 86.1 million bushels during the corresponding months of 1949-50. Before the war (1934-35 through 1938-39), exports averaged 122.3 million bushels annually. The 1950-51 (July-June) exports went mainly to Brazil, Italy, India, Germany, Switzerland, and Japan. The substantial increase in wheat exports reflects the good Argentine crops harvested in 1949-50 and 1950-51, a substantial carry-over from the 1949-50 crop, and a large foreign demand.

The Argentine wheat crop is harvested in November-January while the wheat marketing year actually begins December 1 and ends November 30. The December-November exportable surplus from the 1950-51 crop, now moving to market, was being estimated early in May this year at 2,400,000 long tons (90 million bushels) compared with actual exports of 2,700,000 long tons (100 million bushels) during Argentina's 1949-50 marketing season.

All of the estimated 1950-51 exportable surplus either had been sold or committed for export by May 1, 1951. If all of the options and contracts are fulfilled, exports during Argentina's 1950-51 marketing season (December-November) will exceed 3 million tons, or well over the supply estimated to be available for export.

Rye: During the 12 months July-June of 1950-51, Argentine exports of rye amounted to 219,400 long tons (8.8 million bushels). During the corresponding months of 1949-50, they totaled 9.9 million bushels. The bulk of the shipments went to the Netherlands, Germany, Denmark, Belgium and other European countries. Before the war (1934-35 through 1938-39) exports averaged 4.8 million bushels annually.

As in the case of wheat, the Argentine rye crop is harvested in November-January, and the exporting year begins December 1 and ends November 30. The official estimate of the 1950-51 crop, released in June, is 406,200 long tons (16.2 million bushels), compared with the earlier unofficial estimate of 17.7 million bushels. Allowing for an

estimated December 1, 1950 carry-in of 90,000 tons, in commercial positions, the total supply for the season can be estimated at approximately 500,000 tons. Approximately half of the supply was considered available for export. Actual exports from December 1, 1950 through June 1951 amounted to 172,000 long tons.

Corn: Argentine corn exports during the 12 months July-June of 1950-51 amounted to only 155,000 long tons (6.2 million bushels), the lowest in more than 40 years, compared with 1,225,000 tons (49 million bushels) during 1949-50. Before the war (1934-35 to 1938), they averaged around 250 million bushels annually. This low level of exports was the result mainly of the failure of the 1950 crop, which amounted to only 827,000 tons (33 million bushels), compared with an average prewar crop of more than 300 million bushels. The bulk of the 1950-51 exports went to the United Kingdom, France, Belgium and the Netherlands.

Argentina's corn crop is planted in September-November of each year and is harvested in March-June. The country's corn exporting season runs from April to March 31. The American Embassy in Buenos Aires on August 1, 1951, stated that the 1951-52 crop was unofficially estimated at a maximum of 2,950,000 long tons (118 million bushels). In view of a very small carry-in on April 1, 1951, the exportable surplus from the 1951-52 crop, after deducting requirements for seed, feed, and industrial use, and allowing for a modest year end carry-over, was not expected to exceed 560,000 long tons (22.4 million bushels). Approximately 460,000 tons of that quantity had already been sold or committed for export by late July. Foreign buyers, especially in Europe, were reported as being greatly interested but unwilling to pay the high prices demanded by IAPI, then ranging close to 55 pesos per 100 kilos (\$2.79 per bushel).

Oats: Argentine exports of oats during the 12 months July-June of 1950-51 amounted to 245,000 long tons (17.2 million bushels) compared with 20.4 million bushels in 1949-50. Before the war (1934-35 through 1938-39), exports averaged 25.4 million bushels annually. The bulk of the 1950-51 exports went to the Netherlands, Switzerland, and Germany.

As in the case of other small grains, Argentina's oats crop is harvested in November-January of each year, and the exporting season runs from December 1 to November 30. The 1950-51 crop, now being marketed, has been officially estimated at 681,000 long tons (47.7 million bushels). Because of a relatively small December 1, 1950 carryin, the quantity available for export (December-November) or for year end carry-over was not expected early in August to exceed 300,000 long tons (21 million bushels). The belief was that exports would account for approximately 150,000 tons (10.5 million bushels), of which only about 50,000 tons were exported from December 1 through June 30.

Barley: Argentina's 1950-51 (July-June) barley exports amounted to only 34,700 long tons (1.6 million bushels), compared with 6.8 million bushels in 1949-50. The bulk of the exports went to the Netherlands, Switzerland, Germany, and Japan. Before the war (1934-35 through 1938-39), exports averaged 13 million bushels annually.

The country's barley crop, harvested November-December of 1950, has been officially estimated at about 697,000 long tons (32.4 million bushels) compared with 18.1 million bushels a year earlier. Early in August, 1951, total exports for the season (December-November) were expected to be in the neighborhood of 200,000 long tons (9.3 million bushels). Of that quantity, however, only about 11,000 tons were exported from December through June.

Local demand was reported as exceptionally strong because of the increasing use of barley for feed as a result of the high price of corn, and steadily rising brewery requirements. Because of these factors, IAPI has acquired a smaller proportion of the crop for export than usual. ---By Leo J. Schaben, based largely in reports from C.A. Boonstra, Agricultural Attaché, American Embassy, Buenos Aires.

WORLD BREADGRAIN PROSPECTS

The 1951-52 breadgrain crop for the world, excluding the Soviet Union and China, appears slightly larger than the 1950 figure of 148 million short tons, according to information available to the Office of Foreign Agricultural Relations. Though the net total may not show significant changes, some shifts in continental totals are indicated.

On the basis of available information, a slight net increase is in prospect for the 4 principal exporting countries, because of the sharp increase reported for Canada. A net increase is also forecast for Europe, largely because of prospects for better-than-1950 outturns for eastern Europe, traditionally a surplus area. The improvement is especially marked in the Balkan countries, many parts of which suffered severe drought last year.

Prospects in normally deficit western Europe are for some reduction from the 1950 harvest there. The best outlook in the area is reported for the Iberian Peninsula, with a sharp increase over the 1950 harvest reported for Spain. Some increase is also reported for Portugal. Many of the smaller producing countries of western Europe report declines from the 1950 level as well as the reductions in prospect for the ranking producers, Italy, France, and the United Kingdom.

The present outlook for North America is for an increase of about 5 percent over the high 1950 level. The August estimate places the United States crop at 998 million bushels, a decrease of about 30 million bushels from last year's total wheat production. This contrasts with the July estimate, which forecast an increase of about 45 million bushels. Loss of over a million acres of wheat in Kansas and Missouri since July 1,

coupled with loss in yields caused by continued wet weather and delayed harvest, account for a decline of 23 million bushels in the estimates for those States. A decrease of about 100 million bushels from the 1950 crop is reported for winter wheat, which is only partially balanced by an increase of 70 million bushels in spring wheat. The 1951 yield of all wheat is now placed at 16.0 bushels per acre compared with 16.6 bushels in 1950 and the average of 17.1 bushels for the 10 years ended 1949.

The wheat harvest in Canada will be about 580 million bushels, 25 percent above last year's large outturn, according to the preliminary estimate of The Dominion Bureau of Statistics. It should be noted, however, that harvesting of spring grains is not yet general throughout the Prairie Provinces, and this first estimate is in the nature of a forecast, as of August 1, and is subject to revision in the light of actual harvesting conditions. If present prospects are maintained, this year's crop would be the largest on record for Canada, with average yields 40 percent above the long-time average yields. The forecast increase would, of course, more than offset the reduction in the United States crop, in considering the area as a whole.

Prospects for quality of the crop are also better than was the case for the 1950 harvest, which included an unusually high proportion of the lower grades of wheat. Somewhat above-average yields are expected in central and northern areas of Saskatchewan, but additional moisture will be required to maintain crops in southern regions. Very heavy crop growth is reported over most of Alberta, with moisture ample to carry crops to maturity in most areas. Crops will mature over a longer period, however, with consequent danger of frost before harvest. Least favorable conditions are reported for Manitoba. Dry conditions there have been relieved by recent rains and overcast weather except in central Manitoba where crops were reported deteriorating rapidly in early August.

Conditions in Europe are somewhat variable, with indications pointing to some net reductions from last year's good outturn in western Europe, but a substantial increase in eastern Europe more than offsetting that decline. Spain is the only country of western Europe reporting a considerable increase. Reductions in France and Italy appear to more than cancel that good gain. A substantial reduction from the good 1950 crop is also expected in the United Kingdom, with both acreage and yields below those of a year ago.

Increases over the 1950 figures are reported for all major producers of eastern Europe, but are reported especially marked in Rumania and Yugoslavia. In addition to the good yields reported throughout the Balkans, those 2 countries seem to have increased wheat acreage somewhat. Conditions in Germany are reported generally favorable, and the wheat crop is expected to be up to the high 1950 level. The outlook is reported less favorable for rye than for wheat in Germany. This is the second country of importance in Europe's rye production. Little information is available for Poland, the ranking producer. However, indications point to favorable prospects both there and in Czechoslovakia, the third rye producer of the continent.

In the Soviet Union some increase over last year's wheat crop and a possible reduction in rye seem in prospect. The extent of the changes will be uncertain, however, until the harvest is completed. Preliminary official reports show a substantial increase in the area under wheat this year. The announced increase would bring the wheat area above the prewar level, though the total crop area would just reach the estimated 1938 level. If the reported increases in area and yield materialize, the world wheat crop would be raised substantially above that of a year ago.

Favorable growing conditions are reported for most wheat-producing areas. In several regions from which exports normally originate, speedy fulfillment of goals for grain deliveries to the State was reported in July. Larger collections of wheat appeared in some cases to have been made at the expense of other grains. Quick ripening of grain reported at the end of July in the important Siberian wheat-producing regions, indicating an early harvest, may also be a favorable factor as it may reduce danger of damage from frost and heavy rains.

The outlook for the important Soviet rye crop is more uncertain than that of wheat. While there is no information available on acreage, it is believed that some of the expansion in wheat acreage may have been made at the expense of rye.

Some increase is expected in wheat production in Asia. Increases are forecast for a number of countries, but the favorable outlook for the crop in Turkey is the outstanding change. Definite estimates are not available for China and Manchuria, but general information points to better than 1950 wheat crops in those countries. No significant change is reported for India. Rye is of minor importance in Asia. Turkey's production of roughly 21 million bushels last year represented more than 90 percent of the total for the continent. The current outlook is for a slightly larger crop in Turkey this season.

Little change is expected from last year's wheat outturn in Africa. Some increase in Egypt and French Morocco is offset by reductions in Tunisia and Algeria. Conditions were worst in Tunisia where drought damage reduced the harvest to about half the good crop reported for last year. These countries, together with the Union of South Africa, produce the bulk of the African total. While it is early for definite information on prospects for the crop in that Southern Hemisphere country, preliminary reports point to, favorable conditions in the Union.

No forecasts are available for countries of South America this early in the season. Preliminary reports, however, place Argentine acreage at a lower figure than in 1950-51. Severe drought in northern and northwestern wheat zones prevented growers planting their full intended acreages in these important producing areas. Seeding in southern areas was not completed at latest report, but increases sufficient to offset the losses in the north were not expected. The drought was severe in Cordoba' and Santa Fe and was accompanied by abnormally high temperatures. These 2 Provinces normally

produce about half the country's wheat total. Parts of Cordoba' and Santa Fe have received little rain in the past 8 months. The drought zone was gradually extending eastward into Entre Rios and southward into La Pampa and into parts of western Buenos Aires Province at latest report. Considerable damage to newly germinated wheat was considered possible. Rye acreage seeded is also believed less than in 1950.

Prospects for Australia, the other important surplus wheat-producer of the Southern Hemisphere, are less favorable than at this time last year. Reductions in acreage seeded are reported for 3 of the principal wheat producing States, and total acreage may be little more than 11 million acres, compared with 11.9 million a year ago. Unfavorable seed-ing weather is given as a partial cause, but part of the reduction is attributed to a shift to sheep raising and part to shortages of labor and farm supplies.--By Judith E. Downey, based in part upon U.S. Foreign Service reports.

COMMODITY DEVELOPMENTS

TOBACCO

ITALY'S TOBACCO EXPORTS AND IMPORTS LOWER

Italy's exports of leaf tobacco during the first 4 months (January-April) 1951 were 59 percent below the comparable 1950 period, according to E. B. Shearer, Assistant Agricultural Attache, American Embassy, Rome. Imports of leaf during the first 5 months (January-May) 1951 were 34 percent below imports during the same 1950 period.

The country's leaf exports during January-April 1951 totaled 4.2 million pounds compared to 10.2 million pounds in the same 1950 period. The Netherlands, the largest 1951 export outlet, took 1,571,880 pounds; Western Germany, the second largest export outlet, took 890,658 pounds; the United Kingdom ranked third, with 630,516 pounds, and the United States, fourth, with 359,350 pounds; and Switzerland, fifth, with 259,938 pounds.

Italy's leaf imports during January-May 1951 totaled 3.4 million pounds compared with 4.5 million pounds during the corresponding 1950 period. Greece supplied practically all the leaf during 1951. In addition to leaf, Italy imported 105,821 pounds of cigarettes, all of which came from Switzerland, and about 2,200 pounds of tobacco extract juice from the United States.

JAPAN'S TOBACCO PRODUCTION SLIGHTLY HIGHER; MANUFACTURED TOBACCO EXPORTS AND LEAF IMPORTS INCREASED

Japan's 1951 tobacco production is estimated slightly above the 1950 output, according to J.B. Crume and G. Katoh, American Embassy, Tokyo. Exports of manufactured tobacco products during January-May 1951 have increased considerably over 1950. Imports of leaf during the first 5 months of 1951 were more than twice as large as the comparable 1950 period.

The country's 1951 leaf harvest is estimated at 216.5 million pounds compared to 216.3 million pounds in 1950. The significant factors in the 1951 crop are the increase in flue-cured leaf output and the decrease in native and Burley production. The 1951 flue-cured production is placed at 116.3 million pounds compared with 105.6 in 1950, or an increase of about 10.7 million pounds. The 1951 native leaf production is only 96.5 million pounds compared with 106.1 million last season, or a decrease of about 9.6 million pounds. Japan's 1951 leaf crop will also contain 3.7 million pounds of Burley, which indicates a decrease of about 20 percent when compared to the 1950 output of 4.6 million pounds.

Based on contracts and probable demand, the Japan Monopoly Corporation reportedly expects to export approximately 25 percent more manufactured tobacco products in 1951 than in 1950. Cigarettes make up the great bulk of this trade, and export statistics are available only on a piece basis (the small trade in other types of tobacco products is converted to a piece basis at the rate of one gram per piece).

Exports for the calendar year 1951 are expected to total about 685 million pieces, compared with 542 million during 1950. During the first 5 months (January-May) 1951 Japan exported 311 million pieces. Japanese leaf exports are comparatively small; however, during the first 5 months of 1951 a total of 328,485 pounds were exported, the most of which was taken by Western Germany. The 1951 leaf exports consisted of 260,143 pounds of flue-cured, 52,910 pounds of Native, and 15,432 pounds of Burley. Total leaf exports during 1950 were 884,045 pounds.

Imports of leaf during January-May 1951 totaled nearly 6.8 million pounds compared with 2.8 million pounds during the corresponding 1950 period. The United States, the most important 1951 leaf source, supplied 3.9 million pounds, while India, the only other source, supplied the remaining 2.9 million pounds.

LIVESTOCK AND ANIMAL PRODUCTSCANADIAN-U.S. 1951-52 EGG AND POULTRY
TRADE TO BE RELATIVELY SMALL

It is not likely that Canadian poultry and egg trade with the United States during the fall and winter of 1951-52 will reach the level of 1950-51. Increased domestic demand in Canada is expected to largely offset the increased production anticipated during the latter part of 1951 and the early part of 1952 and to leave a relatively small surplus for export.

Canadian egg and poultry meat production in 1951 has been slightly below 1950 levels during both the second quarter and the first 6 months of the year. To the end of June, the chick hatch was 26 percent greater and the turkey poult hatch was 11 percent greater than in 1950. Egg and poultry production during the coming fall and winter are expected to increase over a year earlier due to the larger 1951 hatch.

The market for both eggs and poultry in Canada during the first 6 months of 1951 has been very strong, with increased domestic consumption and generally rising prices. Egg consumption is estimated at 170 million dozen during the first 6 months of 1951 as compared to 163 million dozen for the same period in 1950. This increase in consumption has been encouraged by high prices for beef and pork and by rising incomes. Wholesale egg prices in Canada during the first 6 months of 1951 have been about 60 cents per dozen as compared to about 40 cents per dozen during the first part of 1950. It is expected that the increased domestic consumption for poultry and eggs will continue and that there will be a relatively small surplus for export during the coming season.

A reduction of stocks of eggs and poultry is an additional factor pointing toward smaller supplies for export. Stocks of eggs in Canada on July 1, 1951, totaled 12.4 million dozen compared with 25.6 a year earlier. Only 7.8 million pounds of poultry meat was in store on July 1 this year compared with 11.6 million pounds a year earlier.

Both poultry and egg exports during the first 6 months of 1951 were below 1950 levels but imports of poultry and eggs, although still small, increased significantly. The shell equivalent of exports during the first 6 months of 1951 was 4,030,000 dozen as compared to 4,269,000 dozen (exclusive of dried eggs shipped to the United Kingdom in 1950 for the 1949 contract) for the same period in 1950. Most of these egg exports went to the United States in the first quarter of 1951. Imports of eggs into Canada during the first half of 1951 of 700,000 dozen were almost 3 times greater than those for the same period of 1950. Most of these eggs came from the United States, however there was a substantial shipment of eggs (114,000 dozen) from the Netherlands and a small quantity was imported from Hong Kong. This relatively high level of imports is not expected to continue through the coming season of increased egg production in Canada.--By L.M. Smith, based upon a report by Philip C. Habib, Agricultural Vice Consul, American Embassy, Ottawa.

CHILEAN BEEF SITUATION BECOMES CRITICAL

During the last week in July a seasonal deterioration in the supply of beef resulted in a strike by retail butchers in Santiago, Chile. The butchers have been obligated to pay higher wholesale prices for carcasses. Average market prices in Santiago were increased in late July by about 10 percent--from 17 to 19 pesos per kilo liveweight (8.1 to 9.0 U.S. cents per pound). Slaughter-houses raised the price of beef carcasses as much as 35 pesos per kilo, (16.7 cents per pound), although the official ceiling is only 25 pesos (11.9 cents per pound). Retail butchers have attempted to pass the increase along to the consumer.

An important factor influencing the strike was the action of the Ministry of Economy and Commerce on July 31 reducing the slaughter quota of steers for Santiago by 42 percent. Chilean cattlemen have been reluctant to sell steers in the late winter and early spring when their weights are low, and probably for the same reason receipts of cattle from Argentine were also held at a reduced level at this time of year. The Argentine Government has given fewer export permits during the winter, and actual passage of cattle on the hoof over the Andes mountains is often blocked by snow. The Ministry of Economy offers the hope that the current rationing of cattle is only temporary and that the full slaughter quota will be restored as soon as 5,000 steers arrive from Argentine in the near future.

CUBAN PORK PRODUCTS SITUATION

Cuban hog slaughter was down sharply during the second quarter of 1951 as compared with both the first quarter 1951 and the second quarter of 1950. Prices of both hogs and pork products have ranged comparatively high. Commercial slaughter during the period under consideration approximated 45,000 head, yielding about 4.5 million pounds (packer type carcass weights). Packing houses paid from 22 to 27 cents per pound for live hogs. These prices greatly restricted the activities of local processing plants, which must compete with imported processed meats from the United States. Consequently, approximately four-fifths of the domestic pork was marketed fresh.

Cuban imports of processed meats, consisting mainly of dry salt bellies and hams, amounted to about 4.8 million pounds during second quarter of this year, as compared with an estimated 7.4 million pounds during the first quarter.

The local pork processing industry continues to operate cautiously. Seasonally short supplies and correspondingly high prices are keeping processing plants largely inoperative at present. Barring unforeseen developments, Cuban processing is not likely to pick up significantly before September or October when cooler weather stimulates consumer demand.

Cuban consumption of salt bellies, hams and other processed meats will be seasonally low during the third quarter. Unless there is a sharp upswing in prices on the Chicago market, the United States will be the main source of the third-quarter requirements. Imports during the third quarter may approximate 4.0 million pounds, unless marketing conditions encourage overstocking.

FURTHER SUSPENSION OF CUBAN IMPORT DUTY ON EGGS EXPECTED

Cuban egg importers expect the Minister of Commerce to reenact duty-free privileges for imports of eggs so as to meet local needs, reports J. R. Johnstone, American Embassy, Havana. Regulations authorizing the duty-free importations of eggs into Cuba expired on July 31, 1951 but investigations have shown that domestic production is seasonally unable to satisfy demand.

During the past 2 years, Cuban egg producers have failed to keep pace with the increase in consumption requirements and the periods of duty-free import have become more frequent. The imported eggs are marketed mainly in the Havana area, leaving the rural regions to be supplied from domestic production.

The United States normally supplies eggs to Cuba during the periodic seasonal shortages of domestic eggs. Occasionally, other countries, such as Canada and the Netherlands, have been able to enter the market in volume for short periods. Due to decreased production, Canada has had fewer eggs for export during the first half of 1951. This situation will continue into 1952 since increased domestic consumption will largely offset the anticipated increase in Canadian egg production. The Netherlands shipments to Cuba are restricted during the warm months because of the scarcity of refrigerated shipping.

ARGENTINE WOOL TRADE SITUATION

Trade in Argentine wool has improved somewhat since the decision was made by the Government in late July to grant export licenses more in line with world prices, according to C.A. Boonstra, Agricultural Attaché, American Embassy, Buenos Aires. Indications are that the Government's efforts to hold back wool for better prices will continue. However, prices authorized are low enough to permit some export movement.

Recent sales qualifying for export licenses have been small lots of March second-clip coarse wools, at \$0.80 per pound, c. & f. Boston and some Cordoba coarse wools at \$0.65. Demand for March wool is reported very low with bids now sagging below \$0.70, a level at which licenses currently are not being granted.

On the export side the full impact of the suspension in wool sales became evident in June when total shipments were reported at only 3.5 million pounds, with only 743 thousand pounds for the United States. In June 1950 over 30 million pounds were exported with the United States receiving about 18 million of the total.

Exports for the season, October 1950 through June 1951, are reported at 175 million pounds compared with about 308 million pounds in the same period last season. Of the total exports this season the United States has received 85 million pounds and France, the only other country receiving a large share, took about 20 million pounds, while Italy, Germany, and Japan received about 10 million pounds each.

FRUITS, VEGETABLES AND NUTS

ITALIAN CITRUS TO AUSTRIA

The Italo-Austrian trade agreement has been extended for another year and includes, among other items, export quotas of Italian oranges and tangerines equivalent to 300,000 boxes; about 9,000 short tons of dried fruits, and 11,000 short tons of fresh vegetables. Also included is about \$300,000 worth of Italian wines. Austria in return for these items will supply lumber and industrial raw materials and finished goods.

TROPICAL PRODUCTS

NEW PROCESS FOR CURING COFFEE DEVELOPED

By the use of a new coffee-curing process, it is now possible to raise the quality of much of the low-grade coffee produced in Rio de Janeiro and elsewhere to equal the superior mild coffee produced in Central America, according to scientific representatives of a United States food distributing corporation.

The new process was developed by the corporation as the result of 5 years of intensive research in Brazil, Haiti, and Costa Rica. Dr. Fooo, who conducted the research in Brazil, concluded that the principal factor affecting the quality of pulped coffee is the amount of time which elapses between the picking of the coffee cherries and their dehydration to a moisture content of 10 to 12 percent. To reduce the time required for curing, scientists made use of pectic enzymes produced from molds to hasten the fermentation process which digests the coffee cherry mucilage. A concentration of one part of this enzyme to 4,000 parts of pulped coffee will insure completion of fermentation in from 5 to 10 hours, a substantial reduction from the 24 to 48 hours required for spontaneous fermentation.

The entire new process in its preferred form comprises: (1) mechanical removal of the skin and part of the pulp of the coffee cherries to yield "pulped beans", (2) pectic enzyme digestion at ambient temperature of the residual mucilaginous layer coating the pulped beans.

(3) washing of the pulped beans to remove the digested mucilage, (4) mechanical drying in 4 to 6 hours of the digested and washed pulped beans (beans in clean parchment), and (5) hulling and grading by accepted methods.

This rapid curing means that the coffee cherries may be picked one day and appear as finished dry green coffee the next day with no chance for deterioration while wet. The enzyme digestion is carried on during the night.

The chief advantages of the enzyme digestion are: (1) it is rapid, thus lowering capital costs for tanks and other coffee handling apparatus, (2) because it is rapid, it avoids deterioration and raises the average quality of the coffee produced, (3) it furnishes a means for the positive control of coffee quality and every lot is certain to be of the highest possible grade, (4) it also raises the quality of marginal grades, i.e., the coffee produced from green or overripe cherries, some of which are always present and a higher portion of the total crop may thus be marketed as top quality coffee and a smaller portion as inferior low-priced grades, (5) the process is economically sound, the increased market value of the crop much more than covering the cost of the enzyme and its application, and (6) scheduling of all operations is easier because of the known time requirements for the digestion step.

The enzyme has been patented and is being placed on the market this year in Brazil and other coffee-producing countries. As last year the production of pulped coffee in Brazil amounted to less than 35,000 bags out of a total of more than 16,000,000 bags produced for shipment to ports, the enzyme is not expected to find a large initial outlet in Brazil. The present relative scarcity of coffee has reduced the premiums paid for high-quality coffee, and this will probably act as a deterrent to the use of the enzyme. When the supply becomes more plentiful, there will be a greater inducement to improve the quality of coffee.

RECORD COFFEE OUTPUT FORECAST FOR BRITISH EAST AFRICA IN 1951-52

British East African coffee production is expected to total about 1,225,000 bags in 1951-52, compared with 1,080,000 in 1950-51, 790,000 in 1949-50, and a prewar (1935-36 to 1939-40) annual average of 785,000 bags, according to R.M. Schneider, American Consulate General, Nairobi. The increase forecast for 1951-52 is mainly attributable to exceptionally heavy flowering followed by the heaviest rains in 25 years. Since domestic consumption amounts to very little, nearly all of the new crop will be available for export.

The 1951-52 crop will consist of about 470,000 bags of Arabica and 755,000 bags of Robusta. About 230,000 bags will be produced in Kenya, 335,000 bags in Tanganyika, and 660,000 bags in Uganda. If the new crop turns out as expected, British East Africa will export more coffee than any other coffee-producing area in Africa.

Unusually remunerative coffee prices have encouraged an expansion of coffee cultivation in British East Africa. The total number of trees is estimated currently at 171 million and the total area at 322,000 acres, of which 111,000 acres are planted to Arabica and 211,000 acres to Robusta.

GRAINS, GRAIN PRODUCTS AND FEEDS

U.S. RICE EXPORTS AT LOW LEVEL

Exports of United States rice in June totaled 133,000 bags compared with 686,000 bags in the corresponding month of 1950. Rice was exported principally to Cuba, Venezuela, and Canada.

RICE: United States exports to specified countries,
June 1951, with comparisons 1/

Continent and country	August-July		August-June		June	
	1937-38		1949-50		1950-51	
	to	1941-42	1949-50	1950-51	1950	1951
	1,000	1,000	1,000	1,000	1,000	1,000
	bags	bags	bags	bags	bags	bags
Switzerland.....	41	110	99	89	20	0
Austria.....	3/	47	47	0	0	0
Greece.....	64	224	224	295	109	4/
Belgium and Luxembourg.....	66	277	254	162	7	0
Other Europe.....	257	49	49	12	4/	4/
Total.....	428	707	673	558	136	4/
Cuba.....	2,750	6,119	4,940	6,145	269	50
Canada.....	194	469	442	370	22	23
Venezuela.....	20	220	210	291	22	43
Br. W. Indies....	4/	121	120	23	4	4/
Philippines....	4/	18	18	0	0	0
Indonesia.....	5/	1,733	1,732	3	0	0
Japan.....	5/	1,366	656	199	217	3
Other countries :	190	467	456	228	16	14
Total.....	3,582	11,220	9,247	7,817	686	133

1/ Milled rice, including brown, broken, screenings and brewers' rice and rough rice converted to terms of milled at .65 percent. 2/ Preliminary.

3/ Not separately classified. 4/ Less than 500 bags. 5/ If any, included in "other countries".

COTTON AND OTHER FIBERCOTTON-PRICE QUOTATIONS
ON WORLD MARKETS

The following table shows certain cotton-price quotations on world markets converted at current rates of exchange.

COTTON: Spot prices in certain foreign markets, U.S. gulf-port average, and taxes incident to exports

Market location, kind, and quality	Date 1951	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound	Export Spot : and quo- : inter- tation: mediate taxes
Alexandria		Kantar				
Ashmouni, Good.....	8-16	99.05 lbs.	Taliari	125.00	72.41	2.95
Ashmouni, FGF.....	"	"	"	(not quoted)		
Karnak, Good.....	"	"	"	175.80	101.83	2.95
Karnak, FGF.....	"	"	"	(not quoted)		
Bombay		Candy				
Jarila, Fine.....	8-14	.784 lbs.	Rupee	1/ 770.00	20.50	21.30
Broach Vijay, Fine....	"	"	"	1/ 840.00	22.36	21.30
Karachi		Maund				
4F Punjab, SG, Fine...	8-15	82.28 lbs.	"	96.00	35.20	23.09
289F Sindi, SG, Fine...	"	"	"	105.00	38.50	23.09
289F Punjab, SG, Fine..	"	"	"	108.00	39.60	23.09
Buenos Aires		Metric ton				
Type B.....	8-16	2204.6 lbs.	Peso	2/8000.00	72.58	6.77
Lima		Sp. quintal				
Tanguis, Type 3-1/2...	8-14	101.4 lbs.	Sol	(not quoted)		
Tanguis, Type 5.....	"	"	"	(not quoted)		
Pima, Type 1.....	"	"	"	(not quoted)		
Recife		Arroba				
Mata, Type 4.....	8-16	33.07 lbs.	Cruzeiro	3/ 345.00	56.76	2.4% ad
Sertao, Type 5.....	"	"	"	3/ (not quoted)		valorem
Sertao, Type 4.....	"	"	"	3/ 365.00	60.05	" "
Sao Paulo						
Sao Paulo, Type 5.....	"	"	"	294.00	48.37	3.0% ad
Torrecon		Sp. quintal				
Middling, 15/16".....	"	101.4 lbs.	Peso	260.00	29.66	6.03
Houston-Galveston-New						
Orleans av. Mid. 15/16":	"	Pound	Cent	XXXXX	34.48	---

Quotations of foreign markets and taxes reported by cable from U.S. Foreign Service posts abroad. U.S. quotations from designated spot markets.

1/ Ceiling price.

2/ Nominal.

3/ Prices omitted from last week's table: Recife, August 9, 1951, in cruzeiros per arroba with U.S. cents per pound in parentheses, Sertao, Type 4, 350.00 (57.58); Sertao, Type 5, not quoted; Mata, Type 4, 320.00 (52.65); taxes, 2.4% ad valorem.

U.S. COTTON EXPORTS LOW IN JUNE

Exports of cotton from the United States in June totaled only 211,000 bales of 500 pounds gross (204,000 running bales), as exports during the 1950-51 season under the export control regulations neared the maximum quantities authorized. The August-June 1950-51 total now stands at 4,147,000 bales (3,988,000 running bales) which includes 3,596,000 to countries that received export allocations totaling 3,696,000 bales.

Exports in July, however, probably were considerably higher than the 100,000-bale difference between the 11-month export total and the allocation total. The fact that allocations were made on a gross-weight basis and licenses were issued on a net-weight basis could have resulted in a 4.2 percent excess of shipments over allocations although exports to some countries apparently will not quite equal the allocations.

Restrictions on exports of cotton to countries eligible to receive licenses were lifted on July 12, 1951, for the remainder of the month of July and may have resulted in some additional exports although the large discount in prices of new-crop cotton compared with spot prices was a deterrent factor. Open-end allocations or the lifting of all quantitative restrictions on exports of cotton to countries eligible for license approval were announced on August 8.

The first official 1951 crop estimate of 17,266,000 bales, released on August 8, if eventually realized, would provide increased supplies for export over that available in 1950-51. Prices of most foreign growths are still well above those for United States cotton; increases in foreign production as a whole appear at this early date to be very moderate, the dollar exchange situation in most cotton importing countries is still favorable, and foreign mill operations are supported by heavy military orders, although some weakening in over-all demand is evident at the present time. These factors give evidence of a good export season for United States cotton that may raise the 1951-52 export total to 5.5 to 6.0 million bales, compared with an estimated total of around 4.3 million bales of 500 pounds (about 4.15 million running bales) in 1950-51.--By Charles H. Barber.

UNITED STATES: Exports of cotton by countries of destination;
averages 1934-38 and 1939-43; annual 1948-49 and 1949-50;
August-June 1949-50 and 1950-51

(Bales of 500 pounds gross)

Country of destination	Year beginning August 1					August-June	
	Averages		1948	1949	1949-50	1950-51	
	1934-38	1939-43	bales	bales	bales	bales	bales
Austria.....	0	1/	74	61	60	55	
Belgium-Luxembourg	147	43	152	192	187	72	
Czechoslovakia.....	65	0	36	58	55	6	
Denmark.....	35	5	30	34	33	30	
Finland.....	35	11	35	3	3	2	
France.....	589	154	676	789	798	429	
Germany.....	579	4	504	759	752	479	
Greece.....	2	2	12	50	48	1	
Italy.....	430	12	652	749	747	545	
Netherlands.....	86	34	195	259	258	157	
Norway.....	13	6	17	8	8	20	
Poland and Danzig..	224	1	95	47	29	1	
Spain.....	101	117	70	66	59	52	
Sweden.....	93	53	2/	29	29	31	
Switzerland.....	2	14	38	41	40	22	
United Kingdom.....	1,097	987	781	607	595	291	
Yugoslavia.....	10	7	42	26	24	66	
Other Europe.....	3/	85	146	4/	64	5/	38
Total Europe.....	3,593	1,596	3,473	3,821	3,752	2,269	
Canada.....	261	294	307	286	266	422	
Chile.....	6/	5	60	39	37	43	
Columbia.....	17	9	53	63	59	52	
Cuba.....	7	11	8	19	18	23	
India.....	44	18	3	405	400	204	
China.....	55	106	282	132	116	54	
Japan.....	1,271	216	652	929	818	875	
Fr. Indochina and							
Fr. India.....	6/	14	8	11	11	14	
Korea.....	6/	N.A.	34	52	52	36	
Australia.....	5	20	0	0	0	0	
Other countries....	43	7	81	247	196	155	
Total.....	5,296	2,296	4,961	6,004	5,725	4,147	

1/ Included with Germany. 2/ Less than 500 bales. 3/ Includes 39 Portugal.

23 Soviet Union. 4/ Includes 28 Soviet Union, 14 Rumania, 6 Bulgaria, 6 Hungary.

5/ Hungary 24. 6/ If any, included in "Other countries." 7/ Includes 29 Hong Kong, 11 Palestine. 8/ Includes 144 Hong Kong, 41 Manchuria. 9/ Includes 27 Hong Kong; 18 Manchuria, 34 Taiwan.

1951-52 COTTON OUTLOOK IN INDIA

The 1951-52 cotton crop in India is expected to be 15 to 20 percent larger than last year's crop of about 2,600,000 bales (of 500 pounds gross) according to a current report by V. Krishnamurthy and P.K. Swamy, American Consulate, Bombay. Most of the crop is picked after November, however, so it is too early to forecast production accurately with the most critical part of the growing period still ahead. The Government's goal of 3.3 million bales is based on efforts to attain an increase of 1.5 million acres in area planted and increases in yields through greater application of manures, use of improved seed, better control of insects and expansion of irrigation.

During recent months, the erratic southwest monsoon brought insufficient rainfall to most of the cotton growing regions, thereby resulting in poor stands in some areas and delayed plantings in others. Substantial rainfall in the latter part of July, however, improved the moisture condition of the young plants. The Indian Government hoped for an increase in cotton area from nearly 13 million acres in 1950-51 to well over 14 million in 1951-52. However, with the poor weather which has prevailed, it is doubtful whether this acreage will be planted.

The latest statistics on the 1950-51 crop show a production of about 2,600,000 bales compared with the 2,350,000 bales produced during the 1949-50 season. The Indian Government-sponsored National Planning Commission, in its preliminary draft plan for the economic development of the country, established a goal of about a million-bale increase in production by the 1955-56 season. Based on current production, this would place the 1955-56 cotton crop at about 3.6 million bales.

On June 13, 1951, the Government of India announced that controls on cotton marketing would be maintained during the next Indian season, September 1951 through August 1952. In addition, it was announced that the basic ceiling prices of raw cotton would be increased by 50 rupees per candy (1.33 cents a pound). Thus the ceiling price of the Jarila variety of 25/32 inch staple length, the basic cotton variety recognized by the Trade, will be equivalent to 21.83 cents a pound, effective September 1, compared with 20.50 cents in 1950-51.

A further revision during the 1951-52 season will be the enforcement of price differentials for variations in grade and staple. Although premiums and discounts were in effect during 1950-51, they were not enforced, with most cotton sold at the maximum prices prescribed for the highest grade and staple. This disregard for quality resulted in the admixture of inferior with superior cotton and consequently there was the possibility of the decline in the purity of the better varieties, thereby nullifying the improvement work already accomplished. In the coming season, the Government plans to see that these quality factors are taken into consideration in the prices paid for cotton with "Sworn Surveyors" constantly checking to see that grade and staple price differentials are in use.

An official announcement of June 23, 1951, stated that no domestic cotton could be stored unginned after July 31 without the permission of the Government. The only exceptions to this were several varieties grown in Madras State which could be held until August 31. The purpose of this action was to prevent hoarding of seed cotton in anticipation of higher prices.

While the above pronouncements were made in June, actual details of the operations of the plans have not been issued. There is some feeling that the greatly increased production in the United States in 1951-52, combined with increases in other foreign countries, may ease the world supply situation sufficiently to warrant the partial elimination of some of the marketing controls in India, with perhaps some form of control authority remaining to observe violations of current ceiling prices. Substantiating the possibility were press reports which stated that the "nominee" system, currently in effect in each of several regions for the marketing of raw cotton through a limited number of Government-appointed merchants, is to be reviewed by the Government for possible modification.

FATS AND OILS

DENMARK'S OILSEED IMPORTS INCREASE IN 1950

Denmark's large and well established oil-processing industry consumed in 1950 almost 197,700 short tons of oilseeds, of which all but about 12 percent was imported, according to Harry LeBovit, Agricultural Attaché, and I.F. Fischer, American Embassy, Copenhagen.

The 1950 import of 174,600 tons of oilseeds, an increase of 44 percent from 1949 and a postwar record, still constitutes only 39 percent of the average import volume during 1935-39. Lack of hard currency, high prices and scarce supplies on the world market were contributing factors in preventing Denmark from reaching its prewar level of oilseed importation.

Domestic production of oilseeds in Denmark during 1950 amounted to an estimated 23,700 tons, compared with around 21,000 tons in 1949. Most important oilseeds produced in 1950 were: flaxseed-574,770 bushels; mustard seed-4,410 tons; and rapeseed-1,850 tons. Prior to World War II, domestic oilseed production was unimportant and consisted chiefly of mustard seed. In 1938 total area planted to oilseeds was about 3,000 acres, compared with 56,340 acres in 1950. Denmark's comparatively small oilseed output, in relation to oilseed consumption, is attributed to insufficient price guarantees for the domestic product.

Soybeans were the chief item of import into Denmark in 1950. While most of the soybeans imported in 1938 came from the United Kingdom and China--199,516 tons--the United States supplied Denmark with almost 70 percent of the latter's 1950 imports, the remainder coming from China and Brazil. Most of the 49,118 tons of soybeans originating in the United States in 1950 were purchased with ECA funds.

The second largest volume of oil-material imported in 1950 consisted of copra--50,138 tons--most of which came from the United Kingdom and British Malaya. Palm kernel imports chiefly from France, Portugal and the United Kingdom, amounted to 21,168 tons.

Imports of oilseeds during the first quarter of 1951 increased nearly 38 percent from the corresponding period in 1950.

Denmark: Oilseed imports, January-March 1951,
with comparisons

Oilseed	1938	1949	1950	January-March				
				1950	1951			
Short tons								
Peanuts-in the shell :	14,189	187	0	0	224			
Peanuts-shelled.....	24,552	3,560	10,358	8,964	0			
Copra.....	83,012	50,968	50,138	10,742	18,533			
Palm-kernels.....	26,977	5,655	21,169	4,899	4,880			
Soybeans.....	209,212	56,323	72,238	28,816	56,821			
Flaxseed.....	18,598	55	8,404	586	0			
Rapeseed.....	542	703	4,837	4,780	562			
Sesame seed.....	7,556	2,184	2,974	1,013	825			
Hempseed.....	500	1,628	96	32	6			
Sunflower seed.....	1,207	0	13	3	15			
Cottonseed.....	12,822	0	0	0	0			
Other.....	3,933	10	4,381	1,079	2,395			
Total.....	403,100	121,273	174,608	60,914	84,261			

American Embassy, Copenhagen

Domestic production of crude vegetable oils in 1949 was approximately 60,400 tons, against 49,600 tons in 1948. Although data for 1950 are not yet available, indications are that oil-mill output increased about 25 percent from 1949. The domestic production of oilcake and meal increased from 49,150 tons in 1948 to 57,370 tons in 1949.

Vegetable oil imports in 1950 amounted to about 6,000 tons, against 8,330 tons in the previous year. Although imports of vegetable oils in 1949 and 1950 were on the same level with prewar imports, exports of vegetable oils declined from 45,650 tons in 1938 to 3,320 tons in 1950. The decline was due to the drop in imports of oilseeds since the war. In order to obtain the necessary vegetable oils for domestic consumption, it was necessary to control all exports of oils and oilseeds from Denmark and to increase domestic production of oilseeds.

Both imports and exports of vegetable oils increased sharply in the first quarter of 1951, compared to the same period in 1950.

To lessen the effects of fluctuations in the import prices of seeds and oils, a "pool plan" has been established by the oil mills in cooperation with representatives from the Ministry of Commerce and consumers of oils. The prices on margarine are, therefore, lower at present than they would have been if the current world prices were paid for the oils used in its manufacture.

Import prices (c.i.f.) in 1950 were about 5 to 9 times as high as prewar prices: soybeans--L 55-57 per metric ton (\$4.19-\$4.35 per bushel); copra-L140-145 (\$355.60-\$368.30 per short ton); and peanuts-L110-115 (\$279.40-\$292.10). The import price of flaxseed in 1950 was L65-70 (\$4.62-\$4.98 per bushel) while in May 1951, the price was L80 (\$5.70). The import price of copra, however, had dropped to L105 (\$266.70), by May 1951.

The leading Danish industrial consumers of vegetable oils in 1949 were as follows (1948 consumption figures in parentheses): margarine industry-38,490 tons (39,116); soap industry-8,740 (5,600); paint and lacquer industry-5,912 (5,000). The chocolate and sugar industry consumed nearly 1,100 tons in 1949 and the meat factories and canning industry used about 1,279 tons. Industrial consumption data of vegetable oils for 1950 are not yet available.

Margarine production in Denmark during 1949 amounted to 60,250 tons, compared with 56,190 and 89,560 tons in 1948 and 1938, respectively. Average per-capita consumption of margarine, butter, and lard during 1950 totaled 48.3 pounds, an increase of 14 percent from the previous year, but still only 68 percent of the 1939 rate. Total domestic consumption in 1950 amounted to 22,600 tons of butter, 66,470 tons of margarine, and 14,110 tons of lard.

It is unlikely that the area sown to oilseeds in 1951 increased from 1950, since farmers did not receive favorable price guarantees. Danish farmers currently are receiving world market prices for their products and are unwilling to risk further expansion in the face of possible price declines.

Imports into Denmark of any oilseed, flaxseed excepted, may be made without an import license. However, imports of vegetable oils are subject to import licenses issued by the Board of Supply. Exports of both oilseeds and vegetable oils are permitted only under license. Future imports of these commodities will depend on trade agreements, availability of necessary foreign currency, and world supplies and prices.

The cancellation of margarine rationing in October of 1950 will undoubtedly increase the production and consumption of this commodity and effect a rise in the production of vegetable oils in 1951.

U.S. FATS AND OILS EXPORTS INCREASE 1/

Total exports from the United States of fats, oils, and oilseeds, oil equivalent, during June were about 45 percent larger than in June 1950 and brought the January-June accumulation to 1,140.6 million pounds, or almost 90 million pounds more than in the comparable period of 1950.

January-June soybean exports were more than double those of the comparable period of 1950 and refined soybean oil shipments were over 3 times last year's, but crude oil decreased by 2 million pounds. Lard exports increased from the first half of 1950 by 15 percent and inedible tallow by 10 percent. These gains were partially offset, however, by sizeable decreases in exports of other commodities--in addition to crude soybean oil. Cottonseed and refined cottonseed oil shipments amounted to approximately one-half the 1950 6-month volume while the quantity of crude cottonseed oil was only one-ninth. Exports of shelled peanuts decreased about 20 percent, crude peanut oil about 25 percent, and refined oil by 40 percent. Shipments of fatty vegetable acids were less than half last year's comparable volume while margarine shipments were slightly over half. Declines of 20 percent are indicated for fish oils and edible tallow and a decrease of 6 percent for other animal fats and greases.

1/ Data on U.S. imports of fats, oils, and oilseeds in June will be published in next week's issue of Foreign Crops and Markets.

UNITED STATES: Exports of specified fats, oils, and oilseeds,
January-June 1951 with comparisons

Commodity	Unit	Average 1935-39	1950 1/ 1/	January-June 1950 17/ 1/	January-June 1951 17/ 1/
Soybeans.....	1,000 bu.	2/ 4,793	19,110	7,872	16,016
Soybean oil:					
Refined.....	" lbs.	(6,467	73,649	30,831	94,930
Crude.....	" "	3/(	226,142	150,392	147,991
Coconut oil:					
Refined.....	" "	3,789	10,696	3,832	2,759
Crude.....	" "	10,442	13,601	5,453	9,670
Corn oil:					
Refined.....	" "	1/(	1,183	532	971
Crude.....	" "	3/(500	166	83	259
Cottonseed.....	" "	3/(	21,628	18,576	9,617
Cottonseed oil:					
Refined.....	" "	4,793	41,992	26,178	12,486
Crude.....	" "	1,515	98,223	72,298	8,020
Flaxseed.....	" bu.	3/	3,557	1,923	1,240
Linseed oil.....	" lbs.	1,280	24,154	3,737	5,650
Peanuts:					
Shelled.....	" "	3/(452	52,287	51,840	42,082
Unshelled.....	" "	3/(	1,076	830	1,274
Peanut oil:					
Refined.....	" "	3/(325	11,638	5,118	3,068
Crude.....	" "	3/ 4/(	27,972	25,013	18,999
Veg. stearine.....	" "	3/	558	500	1,693
Veg. tallow & wax...	" "	3/	1,478	591	641
Fatty veg. acids...	" "	3/	52,272	27,234	10,818
Oleomargarine.....	" "	180	2,434	1,582	832
Cooking fats.....	" "	2,111	10,559	5,688	7,043
Lard.....	" "	165,636	466,065	295,238	338,247
Tallow:					
Edible.....	" "	409	6,014	3,374	2,697
Inedible.....	" "	2/ 1,552	468,614	198,426	217,641
Neat's foot oil....	" "	792	886	297	194
Stearic acid.....	" "	568	6,421	2,758	4,812
Other animal fats and greases.....	" "	6,756	66,568	28,047	26,399
Fish oils exclud- ing medicinal...	" "	2,467	75,974	14,740	11,397
All others (as oil).....	" "	33,020	20,803	8,961	12,183
Total as oil.....	1,000 lbs.	285,870	1,991,625	1,051,427	1,140,567

1/ Preliminary. 2/ Average of less than 5 years. 3/ Not separately classified in Foreign Commerce and Navigation. 4/ 1939 only.

**ARGENTINA'S EXPORT SUPPLIES OF
VEGETABLE OILSEEDS AND OILS DOWN 1/**

Argentina's exportable supplies of flaxseed and linseed oil were reduced to low levels by large shipments during the first half of 1951 and, consequently, movement will decline from now until the end of the year, according to C.A. Boonstra, Agricultural Attaché, American Embassy, Buenos Aires. Quantities available for shipment in 1952 will be considerably less than this year. Carry-over next January 1 will be relatively small and new-crop seedings at best will be only moderately greater than the 2.7 million acres planted (2.0 million harvested) in 1950-51. Because of drought, there is a grave danger at present that seedings may fall short of last season, creating a tight position in exportable supplies next year.

Estimates for edible oil production have been reduced to a total of 330,000 short tons compared with the previous estimate of 358,000 tons. The decrease was on the basis of a sunflower crop smaller than originally forecast. The exportable surplus of edible oils now is calculated at about 121,250 tons, against which substantial shipments already have been made.

Production estimates for crops supplying edible oils are as follows: sunflower seed, 1,100,000 tons; cottonseed, 210,000; shelled peanuts, 88,000; and olives 28,500.

Oilseed cakes and meals are moving out steadily but at a rate considerably below last year, since only the current production is now available. The exportable surplus for 1951 is considered 660,000 tons, comparing with shipments of roughly 1.1 million tons in 1950.

Principal destinations for vegetable oils and by-products in recent months were the United Kingdom, France, and the Netherlands, with small quantities to a number of other European countries. According to trade reports, shipments listed for the Netherlands include considerable quantities to be transshipped at Rotterdam for Germany and Eastern Europe.

IAPI's quotations for export are being maintained firmly at high levels in spite of weakening markets abroad. This reflects heavy advance commitments against current production, alleviating pressure to sell at the present time.

1/ A more extensive statement will soon be published as a Foreign Agriculture Circular available from the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D.C. See LATE NEWS for Philippine copra exports and Canadian flaxseed production.

INDIA ANNOUNCES ALLOTMENTS FOR NEW EXPORTERS OF CASTOR OIL

The Government of India, in accordance with its decision to export castor oil on a quota basis and to allow newcomers as well as established exporters to participate in such exports, issued a decree on July 17, 1951, setting forth provisions applicable to new exporters. According to the decree, the Government has earmarked a quantity of castor oil for the period July 1951--June 1952 for allotment to newcomers only, those who are crushers and who do not qualify for quotas as established shippers. Applications for allotment were to have been received during August 1 to 10 and were to have been accompanied by a certificate from the excise authorities showing the amount paid by the applicant as a tax on the quantity of castor oil crushed by the applicant during the financial year 1950-51. Though the applications need not be accompanied by consignees' orders, exporters should mention in their application the destination for which allotment is desired. (See Foreign Crops and Markets, August 6, 1951, Vol. 62, page 126 for export allocations applicable to established exporters.)

PAKISTAN'S FLAXSEED HARVEST DOWN SHARPLY

Pakistan's 1950-51 flaxseed harvest is estimated at 400,000 bushels, from 66,000 acres, according to final official figures reported by the American Embassy, Karachi. This represents decreases of 23 and 18 percent in production and acreage, respectively, from the previous year. The decrease was due to unfavorable weather.

HUNGARY RATIONS FATS AND SOAP

Formal rationing in Hungary was extended to fats and soap under the provisions of a decree effective March 1, 1951. According to this decree most "workers" are entitled to a basic ration of .60 kilogram (.132 pounds) of fat per month, .20 kilogram (.44 pound) of household (laundry) soap, and .05 kilogram (.11 pound) of toilet soap. Persons engaged in heavy work receive supplemental amounts, with coal miners being allowed the most. Unlike the rationing system for flour and sugar, farmers and other self-employed persons are not entitled to any ration coupons for fat and soap.

A formal rationing system of certain scarce items was initiated at the beginning of 1951 as the food supply became progressively worse following the drought of 1950. By mid-March the Government had extended formal rationing over 6 consumer items, including fats and soap.

C O R R E C T I O N

In the article Antarctic Whale and Sperm Oil Production Totals 401,050 Tons in 1950-51 in Foreign Crops and Markets, May 21, 1951, Vol. 62, No. 21, page 586, the first 2 paragraphs should have read:

"Combined production of whale and sperm oil from the 1950-51 Antarctic pelagic catch is estimated at 401,050 short tons, compared with 377,230 tons during the previous season, according to Einar Jensen, Agricultural Attache, American Embassy, Oslo. These data, provisional, were obtained from the International Whaling Commission, Sandefjord.

"Total whale oil output increased from 352,890 tons in 1949-50 to 355,560 tons in 1950-51. Sperm oil production amounted to 45,490 tons and represented an increase of 87 percent from last year."

L A T E N E W S

(Continued from Page 159)

Philippine copra exports during July, destined to the following countries, totaled 58,818 long tons: United States-34,424 tons (Pacific-26,852, Atlantic-5,034, Gulf-2,538); South Africa-622; Algeria-250; Netherlands-8,442; Belgium-9,000; Italy-1,430; France-3,100; Syria-100; and Germany-1,450. Coconut oil shipments of 6,028 tons were consigned as follows: To the United States-1,553 tons; China-309; India-515; Belgium-403; Netherlands-1,862; Mozambique-288; South Africa-505; Germany-400; and other Europe-193 tons. The copra export price in mid-August was \$177.50 per short tons c.i.f. Pacific Coast.

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Transhipments of Mexican cotton through United States ports, as shown on United States trade records amounted to 33,000 bales (of 500 pounds gross) in May. The total of 890,000 bales transshipped during August-May 1950-51 includes 292,000 to Japan, 159,000 to United Kingdom, 130,000 to Belgium, 57,000 to Italy, 50,000 to Switzerland, 33,000 to Sweden, 30,000 to France, 26,000 to Germany, 22,000 to Spain and 21,000 to the Netherlands. Transshipments into Canada amounted to 21,000 bales (included in total above) and about 40,000 (by railroad) not included in the above figures.

Apparently large quantities of 1949-crop Mexican cotton were in the United States in bonded warehouses on August 1, 1950. Exports from Mexico (almost entirely through United States ports) amounted to only 696,000 bales during August-April 1950-51. Transshipments of 427,000 bales by sea in 1949-50 plus approximately 115,000 bales shipped by railroad to Canada were considerably below the total of 654,000 bales shown on Mexico's trade records as exports from Mexico (mostly to United States) in 1949-50.

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Canada's 1951 flaxseed production is placed at 9,830,000 bushels, according to the first official estimate. Official preliminary estimate of acreage is 1,112,200. In 1950, 4,540,000 bushels of flaxseed were harvested from 560,000 acres.

